## MIGRATION AND REFUGEE ASSISTANCE ($293 Million)

| Account<br>*($ in thousands)* | FY 2008 Enacted | FY 2008 Supp | FY 2009 Bridge Supp | FY 2009 Enacted | FY 2009 Supp Request |
|---|---|---|---|---|---|
| Emergency Refugee and Migration Assistance (ERMA) | 44,636 | 31,000 | 0 | 40,000 | 0 |
| Migration and Refugee Assistance (MRA) | 1,023,178 | 315,000 | 350,000 | 931,000 | 293,000 |
| **TOTAL** | **1,067,814** | **346,000** | **350,000** | **971,000** | **293,000** |

Summary

Funds in the amount of $293 million are requested to respond to new FY 2009 requirements that stem from events in late 2008 and early 2009 not anticipated in the FY 2009 request or the Bridge Supplemental.

$293 million Migration and Refugee Assistance (MRA)

*Humanitarian Assistance ($293 million)*

**West Bank/Gaza and Lebanon: $150 million** - Additional support is needed in FY 2009 to respond to the heightened humanitarian crisis in Gaza resulting from the December 2008-January 2009 conflict. Gaza has seen massive internal displacement, food and fuel shortages, and extensive damage to health facilities, schools, homes, and basic infrastructure. Currently, the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) is providing food assistance to 900,000 Palestinian refugees and thousands have had their homes destroyed. Funding will support early recovery/rehabilitation efforts, to begin in late 2009, related to UNRWA-managed school and health facilities, and refugee shelter. Additional support is required to support a portion of UNRWA's second year requirements for the reconstruction of the Nahr el Bared refugee camp in Lebanon and ongoing assistance to over 30,000 Palestinian refugees still displaced. The USG provided $184 million to UNRWA in FY 2008; $100 million to the regular budget and $84 million to special appeals. To date in FY 2009, the USG has provided $115 million to international organizations to support Palestinian refugees and conflict victims through FY 2009 MRA Bridge Supplemental and FY 2009 base funding, and the Emergency Refugee and Migration Assistance (ERMA) account. Requested funds include:

- $125 million to support emergency needs in Gaza and the West Bank through international organization partners, including UNRWA, International Committee of the Red Cross (ICRC), among others; and
- $25 million to support the reconstruction of the Nahr el Bared refugee camp in Lebanon and provide ongoing life-sustaining assistance to displaced refugees in Lebanon.

**Iraq: $108 million –** Humanitarian requirements total over $300 million to support Iraqi refugees, internally displaced persons (IDPs), and conflict victims in FY 2009; the Bureau of Population, Refugees, and Migration (PRM) has already identified $196 million in FY 2009 Bridge Supplemental and FY 2008 carryover funds. The Bureau programmed over $287 million in FY 2008 on Iraq-related humanitarian programs. The needs of displaced Iraqis remain significant as there are an estimated 4.8 million Iraqi refugees, IDPs, and conflict victims in the region. Similar levels of funding are required in FY 2009 to respond to the following:

- Increased emphasis by major international and non-governmental partners on preparation for refugee returns;
- Need to support initiatives to improve services affecting local conditions (shelter, water/sanitation, healthcare) in areas of return and build local capacity to provide protection and reintegration assistance for returnees (emergency shelter and household items, legal aid, property restitution);
- Increasing reliance of Iraqi refugees on assistance from the international community to meet their basic needs due to significant cost of living increases in Jordan and Syria;
- Increased access to vulnerable Iraqis in Syria as more non-governmental organizations (NGOs) are now registered with the Syrian government and able to operate in the country, which will allow for expanded humanitarian assistance activities for Iraqis in Syria;
- The international community continues to look to the USG to meet assistance and protection gaps, particularly for Iraqis in neighboring countries.

**Afghanistan: $7 million –** Additional funds are required to support the UN Humanitarian Response Plan and expanded program needs of the ICRC. Additional support is required to respond to a November 2008 Government of Afghanistan and UN High Commissioner for Refugees (UNHCR) plan for repatriation and reintegration needs of returning Afghan refugees. The plan focuses on health, education, livelihoods, and land allocation for returning refugees. Additional funds will also support UNHCR's Refugee Affected Hosting Area (RAHA) initiative in Pakistan and to assist Afghan refugees in an increasingly dire situation in Pakistan to reduce the possibility of conflict, further tensions, and threats of uncoordinated camp closures.

**Africa: $15 million -** Three complex, interlocking conflicts in eastern Democratic Republic of Congo (DRC) have led to mass displacement, declining humanitarian indicators, and increased need, involving major humanitarian agencies in the response. Hostilities in eastern DRC between Congolese rebels and the DRC government have led to new displacements (250,000 IDPs and some 40,000 refugees in Uganda from August 2008 until February 2009). There is also new displacement of more than 150,000 and flight of 15,000 Congolese refugees into Southern Sudan as a result of Lord's Resistance Army attacks and the joint DRC/Uganda/southern Sudan military actions against the Lord's Resistance Army. In addition, joint DRC-Rwanda military action against Rwandan rebels (the FDLR – Democratic Front for the Liberation of Rwanda) in the DRC has led to both unexpected returns of FDLR refugee families from the DRC to Rwanda (over 3,000 returns to date) and possible accelerated returns of the over 50,000 DRCongolese refugees from Rwanda to the DRC.

**Global Protection/Emergency Response Requirements/Food: $10 million –** Resources would respond to urgent food pipeline breaks in refugee feeding operations, particularly in Africa, that may occur in FY 2009.

**Asia: $3 million for Burmese refugees –** Critical support is needed to assist Burmese refugees. In 2008, declines in purchasing power, rice shortages, and spikes in commodity and fuel prices impeded NGO partners' ability to respond to growing needs to support over 140,000 refugees in camps along the Thai-Burma border, forcing them to make severe resource cutbacks.  Funding will provide badly-needed essentials (food, soap, insecticide-treated mosquito nets, building supplies) and address nutritional deficiencies and other consequences of this continuing lack of resources.

## INTERNATIONAL DISASTER ASSISTANCE ($200 Million)

| Account<br>*($ in thousands)* | FY 2008 Enacted | FY 2008 Supp | FY 2009 Bridge Supp | FY 2009 Enacted | FY 2009 Supp Request |
|---|---|---|---|---|---|
| International Disaster Assistance (IDA) | 429,739 | 240,000 | 200,000 | 350,000 | 200,00 |
| **TOTAL** | **429,739** | **240,000** | **200,000** | **350,000** | **200,000** |

Summary

As the U.S. Government's first responder to international disasters, the United States Agency for International Development's (USAID) Office of Foreign Disaster Assistance (OFDA), in the Bureau of Democracy, Conflict, and Humanitarian Assistance (DCHA), has responded to more than 225 natural and manmade disasters in the past three years. With the scope and duration of disasters expanding, OFDA is being called upon to respond to increasing needs. In FY 2008, OFDA spent $553 million responding to 81 disasters in 63 countries. Based on developments over the last several months, the FY 2009 activity will exceed FY 2008 levels.

$200 million International Disaster Assistance (IDA)

*Humanitarian Assistance ($200 million)*

Since the enactment of the FY 2009 Bridge Supplemental, additional requirements have arisen across the globe. In East and Central Africa, increased insecurity, armed conflict, and poor rainy seasons have resulted in expanding needs in several countries. In Somalia, more than 3.2 million people, representing 43 percent of the population, now require humanitarian assistance as a result of the cumulative affects of drought, continued civil conflict, rising inflation, and ongoing food insecurity. In Ethiopia, political instability and insecurity in Somaliland, consecutive seasons of failed rains, exacerbated by endemic problems, have led to chronic food insecurity, and water shortages. In the Democratic Republic of Congo, renewed clashes between armed opposition groups and government forces have resulted in new displacement. In Southern Africa, a cholera outbreak in Zimbabwe has spread to all 10 provinces, and conditions for most Zimbabweans continue to deteriorate due to the country's collapsing economy and recent political violence. In the Middle East, South Asia and Central Asia, OFDA is addressing the needs of internally displaced persons from civil conflict in several locations, including Pakistan, and responding to winter emergencies in Tajikistan and Kyrgyzstan.

An additional supplemental of $200 million would allow for an adequate response to these growing complex emergencies and/or replenish costs incurred.

## P.L. 480, TITLE II ($300 Million)

| Account *($ in thousands)* | FY 2008 Enacted | FY 2008 Supp | FY 2009 Bridge Supp | FY 2009 Enacted | FY 2009 Supp Request |
|---|---|---|---|---|---|
| P.L. 480 – Title II | 1,210,864 | 850,000 | 395,000 | 1,225,900 | 300,000 |
| **TOTAL** | **1,210,864** | **850,000** | **395,000** | **1,225,900** | **300,000** |

Summary

*Humanitarian Assistance ($300 million)*

Since the FY 2009 Bridge Supplemental was enacted, unanticipated emergency food aid needs in Africa and elsewhere have risen. For example, in Zimbabwe, the upcoming April/May harvest will be poor due to limited seed and fertilizer availability. The continued economic decline is also compounding the situation, leading to continued increases in humanitarian needs. In Somalia, insecurity and another poor rainy season are leading to continued record-level humanitarian needs. In Kenya, poor rains in some areas and an increase in Somali refugees are raising needs. In parts of Ethiopia, unexpectedly high food aid needs are continuing due to high food prices and the impact of drought and crop and pasture failure in 2008.

**USAID OPERATING EXPENSES and USAID CAPITAL INVESTMENT FUND ($201.1 Million)**

| Account ($ in thousands | FY2008 Enacted | FY2008 Supp | FY2009 Bridge Supp | FY2009 Enacted | FY2009 Supp Request |
|---|---|---|---|---|---|
| USAID Operating Expenses (OE) | 650,657 | 150,500 | 93,000 | 808,584 | 152,600 |
| USAID Capital Investment Fund (CIF)* | 87,287 | 0 | 0 | 35,775 | 48,500 |
| **TOTAL** | 737,944 | 150,500 | 93,000 | 844,359 | 201,100 |

*Also received $38 million in the in the American Recovery and Reinvestment Act

$152.6 million USAID Operating Expenses (OE)

*Afghanistan Staffing Surge and Operations ($140 million)*

As part of a coordinated approach with the Department of State, the United States Agency for International Development (USAID) is requesting additional resources to significantly expand its civilian presence in Afghanistan to support and manage increased development efforts. This civilian increase is an essential complement to the military operations to stabilize communities at the provincial level and strengthen Afghan Government capacity. The request for additional civilian staff and operational support will allow USAID to expand reconstruction efforts at the provincial and district level.

Supplemental funding is requested to support the increase in USAID civilian staff supporting the Provincial Reconstruction Teams (PRTs), as part of the U.S. Government's overall efforts to strengthen civilian presence in the field. Based on the evolved PRT model for Afghanistan, USAID is requesting funding for 150 U.S. personnel and 200 local staff to expand reach at the provincial and district level and staff regional PRTs to mirror the ISAF/NATO structure and is in line with the new Afghanistan strategy. Supplemental funding of $100 million is requested to support this staffing surge, which includes full year salaries and benefits, travel, security, and all support costs.

The significant expansion of USAID personnel in Afghanistan will require a concurrent expansion of the Agency's air wing to ensure the safe and secure transport of PRT and Kabul based staff. Based on current staff to flight seat capacity, supplemental funds in the amount of $40 million are requested to service the increase in travel needs brought about by additional staff deployed to PRTs and project and site visits by Kabul-based personnel. More specifically, this funding will expand the number of aircraft to a total of nine, five fixed-wing and four rotary-wing.

*Pakistan Operations ($7.6 million)*

Pakistan is currently undergoing a significant staffing increase to meet the management needs of an ever-increasing portfolio. Including funds requested in this supplemental, the program budget will have nearly tripled since FY 2008. In January 2009, 81 additional positions were approved, bringing the total staffing ceiling to 243. Of the 81 approved positions, 16 are U.S. Direct-Hires (USDH) and were not fully funded in the FY 2009 base budget. These funds will be used to support the salaries, benefits, personnel support, ICASS and other operational costs associated with this increase in staff. Additionally, as the USAID/Pakistan Mission grows, programmatically and administratively, the support needs traditionally provided by Washington will also increase. Thus, a portion of these funds may be used to hire additional Washington-based support staff.

*West Bank and Gaza Operations ($5 million)*

These funds are requested to appropriately monitor and manage increased programs and activities in the West Bank and Gaza, including those requested programs for which additional funding is requested in this supplemental. The request would fund security assets and logistics consisting of armored vehicles, personnel security details, and related costs for direct oversight of USAID funded programs and activities in West Bank and Gaza. The request also funds two U.S. and one local additional staff to meet program oversight and logistical support requirements for Gaza activities; expanded office and residential space and temporary duty support to contract for and mobilize expanded assistance levels; and related office furnishings, IT and telecommunication equipment for expanded operations.

<u>$48.5 million USAID Capital Investment Fund (CIF)</u>

*Capital Security Cost Sharing Program ($19.87 million)*

Supplemental funds are requested to pay in full the USAID FY 2008 Capital Security Cost Sharing Program (CSCS) bill. The FY 2008 CSCS bill was $99.5 million and USAID has only been able to pay $79.63 million of this bill, leaving a shortfall. USAID risks losing its right to occupy overseas buildings if it does not pay the $19.87 million balance as authorizing language for the CSCS program states that new diplomatic facilities may not include space for any agency that has not provided the full amount of its funding share as required by this program.

*Other New Office Buildings/Annexes ($18.43 million)*

Supplemental funds are requested for new office space overseas needed to accommodate the significant expansion of USAID's permanent Foreign Service Officer (FSO) corps launched under the Agency's Development Leadership Initiative (DLI). With an increase of at least 300 new FSOs in FY 2009 alone and projected additional increases through 2012 , USAID must begin to expand its office space overseas to handle both training and permanent deployment of these new staff. The request will fund build-outs for interim office buildings in Abuja, Nigeria and Bangkok, Thailand and expansions/reconfigurations of new embassy compounds in Addis Ababa, Ethiopia; Amman, Jordan; Lima, Peru; and San Salvador, El Salvador.

*Enterprise Disaster Recovery Project ($10.2 million)*

Supplemental funds are requested for the Enterprise Disaster Recovery Project, which enables USAID to plan and implement a solution for continued IT support for critical functions in the event that IT systems or infrastructure fail. This funding will also allow the Agency to address the issue of records retention and management for data stored on the USAID network.

## ASSISTANCE TO DEVELOPING COUNTRIES AFFECTED BY THE GLOBAL FINANCIAL CRISIS ($448 Million)

| **Account** *($ in thousands)* | **FY 2008 Estimate** | **FY 2008 Supp** | **FY 2009 Bridge Supp** | **FY 2009 Request** | **FY 2009 Supp Request** |
|---|---|---|---|---|---|
| Economic Support Fund (ESF) | 0 | 0 | 0 | 0 | 448,000 |
| **TOTAL** | **0** | **0** | **0** | **0** | **448,000** |

Summary

The global financial crisis is severely affecting poor countries and represents a serious short-term threat to U.S. national security interests abroad. The rapid collapse of currency exchange rates, bank lending, trade flows, remittances, and commodity prices will cause a sharp drop in the incomes and purchasing power of many of the world's poorest and most vulnerable populations in 2009. The World Bank estimates that the expected slowdown in economic growth will throw at least 50 million additional people into extreme poverty in 2009.

A sharp increase in global poverty has the potential to spark new humanitarian crises, erode the gains from a wide range of major U.S. taxpayer investments in development, reverse recent progress toward achieving the Millennium Development Goals, and de-stabilize countries that share common interests and are key partners of the United States in a wide range of international forums

Funds requested will: (a) provide a temporary safety net (e.g., health, education, cash-for-work programs) to highly vulnerable populations; (b) provide technical assistance to build the capacity of governments, financial institutions, and private enterprises to restore and sustain broad-based economic growth and (c) provide loans and loan guarantees to private financial institutions to help spur private lending and investment which is critical to employment, recovery, and growth.

The following criteria will generally be used to choose a limited number of recipient countries; selected countries will be those where:

1. 2007 per capita Gross National Income is $3,705 or less (i.e., the funds will be directed only to countries in the World Bank's "low income" or "lower middle income" group);
2. a sharp slowdown in economic growth is expected as a result of the crisis;
3. the slowdown will be expected to have severe impacts on highly vulnerable, poor populations;
4. those impacts will significantly raise the risk of social and political instability;
5. the recipient government has demonstrated strong commitment to improving good governance, including transparent and accountable management of public resources; and
6. the government, however, does not have the fiscal capacity to mitigate the impact of the crisis on their most vulnerable populations.

While the crisis continues to unfold and the relative severity of the impacts remains unpredictable, some of the countries that meet these criteria and are likely to be targeted for assistance under this request could include Guatemala, Haiti, Liberia, Mongolia, Tanzania, and Zambia.

<u>$448 million Economic Support Fund (ESF)</u>

*Economic Growth ($448 million)*

The net effect of the crisis in many of these countries will be to exacerbate food insecurity, fiscal stress, social and political instability, and other impacts of the food price crisis of 2008. Many developing country governments already carry large fiscal deficits and are unable to borrow funds for counter-cyclical safety net programs or other fiscal stimulus. As a result, even those countries that are best-governed and most committed to protecting the welfare of their populations have few effective policy tools with which to forestall potential humanitarian crisis and instability. In some of the countries, riots and other signs of instability have already manifested themselves in response to the crisis.

Therefore, a portion of the funds requested will provide a temporary safety net to highly vulnerable populations to forestall humanitarian crisis, avoid potential social or political instability, and preserve productive human and other resources needed for broad-based economic recovery and growth. This support will be provided through mechanisms – potentially including conditional cash transfers to public sector budgets -- that provide quick income support while encouraging local initiative, entrepreneurship and self-responsibility. Potential examples include mechanisms that provide cash for work on small-scale community infrastructure projects and other productive assets (e.g., restoring tree crop resources), and food vouchers conditioned on continued school enrollment for both girls and boys.

In addition, a portion of the funds requested will provide targeted technical assistance to local public and private institutions and civil society institutions to strengthen their capacity to meet the needs of vulnerable populations by providing immediate and adequate social insurance and other safety net services, while maintaining the highest global standards of transparency and accountability. Technical assistance to governments will improve the efficiency of fiscal management, including through better-targeted tax and expenditures programs and modernized public safety nets, which help recipients make the most of existing resources and increase their countries' resilience to future economic shocks.

Finally, a portion of the funds requested will finance the subsidy costs of loans and loan guarantees to private financial institutions to provide credit risk enhancement or liquidity, where necessary, to spur lending which is critical to employment, recovery, and growth. These loans and loan guarantees, implemented through USAID Development Credit Authority (DCA) and the Overseas Private Investment Corporation (OPIC) facilities, will provide credit to small and medium enterprises and microfinance institutions that generate large numbers of jobs for the poor, help maintain bank and non-bank financial institutions' solvency, expand regional and international trade finance, and re-launch critical infrastructure investments. To maximize the effectiveness of these loan and guarantee facilities, funds will also be used to provide technical assistance to banks, non-bank financial institutions, and regulatory authorities to strengthen capacity to evaluate and manage risk, and to regulate financial sector activity in a way that revitalizes private credit and investment while maintaining or improving fiduciary standards and market stability. This technical assistance will be implemented through USAID and the Department of Treasury's Office of Technical Assistance, as appropriate.